

URL: <https://stvp.stanford.edu/clips/growth-can-mean-depth-not-just-scope>

Rather than accepting money from a VC firm that argued for immediate geographic expansion, Z_m CEO and founder Ritu Narayan took an investment from the firm that recommended first honing their playbook and business plan in their local market. She emphasizes the importance of scaling in proportion to the bandwidth of your team and the clarity of your business model.



Transcript

- Innovate, two inflection points are pointed out here.. One was taking money from SICO, was a pretty important inflection point.. And give you.... More detail than I gave in the talk was, the other people who were giving us money at that time.. They were saying, "Take this money and go to five cities, immediately." And they didn't have a context of what would it mean, to spread out a small team in five cities.. Where as SICO was asking us, master your play book, make it right, get your unit economics right, get your business model right, and then scale to more cities.. That became, actually, an inflection point for us, that also lead us to find more and more profitable, and differentiated business model, like the school model that I described to you.. Instead of running very quickly, in the early stages, to a large part of geography.. We started finding out, what is the profitable model that we can scale out..